

# Town of James Island

*Bill Woolsey*  
Mayor



Council Members

*Leonard Blank*

*Garrett Milliken*

*Darren Troy Mullinax*

*Joshua P. Stokes*

June 10, 2018

Chairman William "Cubby" Wilder  
James Island Public Service District Commission

Dear Chairman Wilder:

I was disappointed that a majority of Commissioners voted to increase PSD property taxes in the Town by over 13%. Like most residents of the Town, I greatly appreciate the essential services provided by the PSD and understand the need for revenue. However, this is a very drastic increase. With the PSD already collecting nearly half of homeowners' property tax bills (47.4% last year,) this will create a serious burden for many Town residents.

It is unfortunate that public service districts are so dependent on property tax to fund their services. As you are aware, the Town levied a 20 mil property tax several years ago. That is less than 1/3 of the 64.4 mils you approved at your May meeting. The Town has already passed its 2018-19 budget in May with no increase in its millage. Further, the Town will continue to use its other sources of revenue to provide a 100% credit, so that the share of the total property tax bill collected by the Town will remain zero.

I am sure you will agree that it would be desirable for the PSD to also benefit from a tax credit. Each year I have offered to directly pay the PSD for a portion of services provided to the residents of the Town in exchange for a reduced PSD property tax burden. I again make that offer. With this very large increase in millage during an election year, it would seem that serious consideration by the Commissioners is timely.

The Town engaged the Pope Flynn law firm to study the matter. That firm works with public service districts and municipalities across the state. Perhaps you have participated in their seminars at the special purpose districts' annual meeting. I believe they applied to work for the PSD too, though a majority of Commissioners voted to go in a different direction.

Our legal experts argue that with the agreement of the Commissioners, the Town could pay the PSD for services on behalf of our residents in exchange for a Town credit against the PSD property tax on the County tax bill. We could perhaps come up with as much as \$1 million to help the PSD this year. The resulting credit would fully offset the increase in PSD millage and result in an ample decrease in the tax burden imposed by the PSD on property owners in the Town. The percent of property tax paid to the PSD shown on the tax bills would greatly decrease. The Town is also willing to consider a management

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fee for the benefit of the PSD, so that the PSD would receive more money from the Town than the reduction in property tax receipts that would result from the credit.

Please understand that this proposal does not interfere with any of the service rights the PSD holds in the Town. Further, the PSD Commissioners would continue to set the District's millage to cover its expenses and remain fully responsible for managing the delivery of services. Again, the total revenues received by the PSD would not decrease, and with an agreed management fee, instead increase at least modestly. Any expense associated with placing credits on the County tax bills in the Town's tax district would be entirely the responsibility of the Town and the County Auditor's office.

While the proposal would greatly benefit most district voters since they reside in the Town, those living in the unincorporated area of the district must still pay for fire protection and solid waste collection solely by property tax. The Town can only use its other revenue sources to purchase services from the PSD on behalf of residents of the Town, so residents of the unincorporated area would benefit only modestly and must pay nearly as much as they would if the Commissioners were to refuse the Town's offer.

Fortunately, the PSD has an opportunity to help residents of the unincorporated area as well. Representative Peter McCoy filed HB 3669 which would provide an opportunity for residents of the unincorporated area of the PSD to annex to the Town. I sent a copy of the McCoy bill to you on May 4, 2017, over a year ago.

What can the Commissioners do? I am sure you are aware that Senator Senn is only willing to file a Senate version of the McCoy bill with the approval of your District Administrator. She wrote to me on April 4, 2017, "As I told Senator Chip Campsen, and as I have told you in the past, as soon as you get Robert Wise to sign off then I will be your biggest supporter. I would love to see James Island and JIPSD come together on the legislation. Until then, I cannot choose sides." Since Robert Wise is employed by the Commissioners, I am sure that a resolution in support of giving residents of the unincorporated area an opportunity to rejoin the Town and asking Senator Senn to file a Senate version of the McCoy bill would greatly help.

I understand that it will be difficult for the Commissioners to vote for a very large tax increase on June 25, especially those seeking reelection in November, a few short weeks after the County tax bills arrive in the mailboxes of district voters. However, if Commissioners at that same time were willing to agree to work with the Town on a tax credit as well as offer hope to those in the unincorporated area that they too will have an opportunity to join the Town and share in tax relief, it might help mollify taxpayer anger. It has always been my hope that the PSD and the Town could work together. Please accept my offer for the Town to help the PSD with its very serious funding problem.

I look forward to your response. Thank you.

Sincerely,



Mayor Bill Woolsey  
Town of James Island

Copy: James Island Town Council,  
James Island PSD Commission,  
Representative Peter McCoy

Ashley Kellahan, Town Administrator  
Robert Wise, James Island PSD Manager  
Senator Sandy Senn